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Alberta Liquor Control Board

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65th Annual Report

For the fiscal year ended January 3, 1989

91-00920/

ALBERTA LIQUOR CONTROL BOARD

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Alberta
SOLICITOR GENERAL

Office of the Solicitor General

319 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2468

The Honourable Dr. D. Carter
Office of the Speaker
Legislative Assembly of Alberta

Sir:

I have the honour to submit the Annual Report of the Alberta Liquor Control Board for the fiscal year ended January 3, 1989.

Respectfully submitted

R.S. (DICK) FOWLER, Q.C.
Solicitor General

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ALBERTA LIQUOR CONTROL BOARD

50 Corriveau Avenue, St. Albert, Alberta, Canada T8N 3T5 Telephone 403/458-4311

Office of the Chairman
and Chief Executive Officer

Honourable R.S. Fowler, Q.C.
Solicitor General
319 Legislature Building
EDMONTON, Alberta
T5K 2B6

Sir:

I have the honour to submit herewith the Sixty-Fifth Report of the Alberta Liquor Control Board for the fiscal year ending January 3, 1989, pursuant to Section 24 of the Liquor Control Act.

Respectfully submitted,

J. Terry Strain
Chairman & Chief Executive Officer

Telex Edmonton: 037-2716 Telex Calgary: 038-2931 Cable Address: Permit St. Albert

Chairman's Message

The Alberta Liquor Control Board continued to administer its mandate under the Liquor Control Act while making progressive changes in the areas of customer service and interaction with the industry.

In response to changing consumer needs and market trends, the Board focused on new programs of marketing and merchandising, resulting in an updated, customer-oriented environment in liquor stores and an enhanced emphasis on customer service. Positive results of a customer survey confirmed the Board is on track with current programs; this has sparked creative ideas for the future.

Although beverage alcohol consumption declined marginally, by 3,136 hectolitres, 1988 represented a year of financial stability with sales up $43.8 million over 1987. Net income increased by $27.5 million. Remittances to Alberta Treasury totalled $365 million.

The Board continued to consult and assist the Alberta Hotel Association and the Alberta Restaurant & Foodservices Association to improve the hospitality industry in the Province. To this end and as a result of on-going discussions with licensees, the 7% surcharge on wine and spirits was eliminated. Our thanks and appreciation go to both the Alberta Hotel Association and the Alberta Restaurant & Foodservices Association for their cooperation and assistance.

The Board also wishes to express sincere appreciation to the officers and staff of the RCMP and to the city and municipal police throughout the Province for their efficient cooperation in enforcing the provisions of the Liquor Control Act.

Our dedicated and highly experienced staff look forward to future challenges: improving operations while continuing to maintain a fine balance between providing revenue to the Provincial Government and maintaining high standards of customer service.

J. Terry Strain

Chairman & Chief Executive Officer

Operational Review

The Alberta Liquor Control Board (ALCB) is an Alberta crown corporation responsible for the administration of The Liquor Control Act and Regulations (Liquor Licence Regulation, Liquor Permit Regulation, General Regulation, and Plebiscite Regulation) and for the purchase and sale of all beverage alcohol products in the Province.

The Board, which falls within the jurisdiction of the Solicitor General of Alberta, consists of the Chairman and Chief Executive Officer, Deputy Chairman, and Board Member. Senior operational, administrative, and licensing management personnel are responsible to the Board for the execution of the corporation's activities.

At the close of fiscal year 1988 the ALCB operated 210 liquor stores (24 of which carried specialty stock) and 14 retail beer outlets. In addition, private individuals operated 13 Board agency wine boutiques in major centres, and there were 4 agency stores operated by Alberta wineries.

The ALCB provided consumers with one of the most extensive and varied selections of products available anywhere in North America — nearly 3200 product lines from 42 countries around the world.

Throughout Alberta, over 5,000 licences were issued by the ALCB for the sale of spirits, wine, and beer. During 1988, a total of 16 manufacturers held licences to make beverage alcohol in the Province: 4 distillers, 4 vintners, and 8 brewers.

The ALCB was established in 1924. This year marks its 65th anniversary, conducting the dual duties of the control and sale of beverage alcohol and the licensing and inspection of premises licensed for the service and consumption of liquor.

The operational and administrative duties of the Board are conducted by nine internal departments:

Finance

The Finance Department provides for the financial control and reporting needs of the Alberta Liquor Control Board. A major restructuring of the department functions was completed during 1988 to improve its response capability.

Enhanced financial procedures and controls were implemented, based on internal reviews by both department and audit staff, and a major review of the department's computerized financial systems was launched. These steps have improved the efficiency of the department; further enhancements will continue this trend, providing management information on a more timely basis.

A primary focus in 1988 was the refinement of the Board's financial planning and budgeting process to provide better long-range forecasts of revenue and expenditures and monitoring of financial results. Of significance was the introduction of a new capital review process.

Container recycling operations administered by the Finance Department continued to show cost and revenue improvements while meeting the requirements of the Provincial Beverage Container Act. Net recycling costs to the Board were decreased by almost $1 million from 1987.

Human Resources

Human Resources provides a support service function to other departments on a province-wide basis, ensuring the Alberta Liquor Control Board meets its human resource needs while complying with provincial government legislation and guidelines. To meet this responsibility, the department provides for the selection, placement, salary administration, career development, and health and safety of Board employees, and for the administration of labour relations programs.

Departmental responsibilities include establishing standards for performance of the human resource function, maintaining the effectiveness of human resource programs, and arranging and managing employee benefit programs.

During 1988 a new employment category, part-time, was negotiated and implemented, and the Collective Agreement pursuant to the Public Service Employee Relations Act was finalized, while negotiations continued pursuant to the Labour Relations Act.

Along with staff development courses provided for Board employees during 1988, eight wine courses for staff of licensees in the provincial hospitality industry were conducted in Edmonton and Calgary. Human Resources also implemented new training programs for Board staff in the areas of Labour Relations and Employee Assistance Programs.

Legal Services

The Legal Services Department provides legal advice and assistance to the Alberta Liquor Control Board along with preventive legal programs to ensure the Board's compliance with the law. The department endeavors to identify and limit the Board's risk in both administrative and business decisions.

During 1988, Legal Services drafted proposed new regulations and amendments to the Liquor Control Act; completed contracts for property, equipment, and tenders; provided the services of Corporate Secretary; and prepared and maintained the Board's Policies and Procedures Manual.

The department worked with Transport Canada in the appointment of new operators for the International Airport Duty Free Shops in both Edmonton and Calgary. It also addressed challenges to Board decisions by Alberta licensees, representing the Board at 23 Liquor Licensing Review Council hearings in 1988.

Information Systems

The Information Systems Department is responsible for the provision of information management technology to the Alberta Liquor Control Board. This includes the provision and maintenance of point-of-sale systems to retail outlets, information systems to administration offices, and process control systems to the warehouses.

During 1988 the department installed in-store computers to assist in the retailing and management of stock, initiated an inventory management pilot system at the retail level,

streamlined beverage alcohol acquisition and distribution systems, and conducted preparatory work for the 1989 implementation of new warehouse management systems. This year also saw completion of the planning and preparatory work for the replacement of existing financial systems.

On an on-going basis, the department provides business and technical support for professional and clerical workstations, as well as the mainframe computer installation, and researches new products and technology with a view to ensuring the Board's information needs are met in an efficient and cost-effective manner.

Stores & Warehousing

The Stores & Warehousing Department provides service to the public, to licensees, and to wine boutique operators through:

- operation of the Board's network of 224 retail stores;
- operation of warehouse and distribution centers in Calgary and St. Albert;
- development of proposals for new or revised store locations and for basic store design to support customer service and merchandising activities; and
- in conjunction with other departments, development of proposals for the improvement of facilities and services offered to customers.

During 1988, some 30 million customers were served, involving sales of 64 million items.

Initiatives undertaken and/or completed in 1988 include:

- conversion of all liquor stores to new layout and shelf management principles to improve stock presentation, creating a more pleasant shopping environment;
- creation of an expanded Customer Services facility at three major stores in conjunction with the office Customer Service support function, including development of a training package to be delivered to all staff in 1989;
- commission of a province-wide, in-depth customer survey. Results indicated a high level of customer satisfaction with the Board's products and services, confirmed the direction taken by existing programs, and helped set future program direction;
- creation of a new concept in retail facilities at Edmonton Centre and West Edmonton Mall, designed to address a specialized market and to integrate with the mall surroundings; and
- consolidation of warehouse administrative functions to streamline operations, allowing faster response to changing needs of stores, licensees, and wine boutiques.

Property & General Services

Interior upgrading, renovations to accommodate the merchandising and marketing programs, and new store construction were a priority of the Property Management Section. Twenty-six leased liquor store renovation projects were initiated for upgrading with 10 projects tendered by year-end.

Land was purchased for the Heritage Liquor Store in Edmonton and a new store in the Chinook area of Calgary. Negotiations were initiated on land purchase for six other locations. New stores were opened at Edmonton Centre and West Edmonton Mall in leased facilities and an expanded specialty store was opened in Calgary's Willow Park district. The Edmonton Beaverhouse Store, in operation since 1933 and also housing the Alberta Liquor Control Board general offices and warehouse operations until 1963, was closed.

General administration and essential corporate services, including purchasing, printing and reproduction services, supply services, assets disposal, contract management, courier services, security, custodial and housekeeping, grounds maintenance, reception services, secretarial services, and accommodation and drafting services, were provided to all ALCB departments.

Stocks

One of the most extensive product selections anywhere in North America is available through Alberta Liquor Control Board stores. Developing and maintaining this enviable position in response to evolving consumer demand is the major function of the Stocks Department.

Fulfilling its responsibility involves product selection, purchase, arrangement of transportation, payment of federal duty and taxes, and coordination of marketing activities. During 1988 more progressive marketing and merchandising techniques were developed, including shelf management, merchandise displays, and a refined in-store tasting program.

An Agency Listing Program was developed and implemented in 1988, allowing Alberta liquor representatives to bring unlisted products into Alberta, products that in essence have been pre-sold to licensees, wine boutiques, and individuals.

The department also places special orders for unlisted products to suppliers around the world on behalf of licensees, wine boutique operators, wine clubs, and individuals.

Licensing & Permits

The Licensing & Permits Department is responsible for the licensing and inspection of facilities where liquor is served to members of the general public. On an annual basis, the department issues licences and permits for a broad variety of facilities across the province and employs inspectors who visit these facilities, liaising with operators to ensure all aspects of liquor legislation are observed.

New applicants for licences and permits are interviewed by members of the department as part of the approval process. Staff training seminars are organized for licensees and their employees. Close contacts are maintained with enforcement agencies such as police, fire, and health inspection branches across the province.

The department also meets with representatives of the hospitality industry in Alberta to review recent trends in the industry, to represent these views to the Board with the aim of

maintaining legislation and Board policies at a level consistent with public standards as expressed through plebiscites and petitions.

In 1988 agreement was reached with the hotel industry regarding standards for the establishment of a restricted number of cold beer vendor facilities operated by hoteliers. The acceptability of these outlets by the general public will be assessed through 1989 and 1990.

The role of the hospitality industry is a major aspect of the growing importance of international tourism in Alberta, as exemplified by the 1988 Winter Olympics. The Licensing & Permit Department plays an integral role in this aspect of tourism in Alberta.

Internal Audit

The Internal Audit Department is responsible for carrying out an independent appraisal activity within the Alberta Liquor Control Board. The department reviews the accounting, financial, and other operations as a protective and constructive service to management. It is a type of control which functions by measuring and evaluating the effectiveness of other types of controls.

By reviewing systems, the department establishes:

- the reliability and integrity of information;
- compliance with policies, plans, procedures, laws, and regulations;
- the accomplishment of objectives and goals for operations and programs; and
- whether Board assets have been adequately safeguarded.

During 1988, Internal Audit provided a comprehensive audit coverage of all stores. An information systems audit program was established, with three key areas selected for detailed audits. The department participated in the quality assurance reviews for new data processing systems, and conducted several operational audit projects on the operations of the Board.

Staff Complement as at December 31, 1988

	Permanent		Temporary		Total	
	1988	1987	**1988**	1987	**1988**	1987
Administrative Offices:						
Chairman & Board Members	**2**	2			**2**	2
Executive Assistant	**1**	1			**1**	1
General Manager	**0**	2			**0**	2
Administrative Officer	**2**	1			**2**	1
Secretaries & Clerical	**4**	4			**4**	4
Departments:						
Finance	**58**	48	**3**	5	**61**	53
Internal Audit	**19**	19			**19**	19
Legal	**4**	3		1	**4**	4
Stores & Warehousing:						
Stores (Office)	**38**	27			**38**	27
Stores	**653**	656			**653**	656
Warehouses	**113**	116			**113**	116
Property & General Services:						
Properties	**68**	67	**2**	1	**70**	68
General Services	**30**	30	**4**		**34**	30
Information Systems	**75**	75	**4**	2	**79**	77
Human Resources	**22**	21		1	**22**	22
Stocks	**51**	49	**4**	2	**55**	51
Licensing & Permits	**78**	70			**78**	70
Long Term Disability	**22**	22			**22**	22
Totals	**1,240**	1,213	**17**	12	**1,257**	1,225

Hours worked by casual staff	**1988**	**873,905**	1987	820,891

Financial Overview

Statement of Sales by Customer Category

Customer	Sales Value	
	1988	1987
Public	**$686,856,425**	$660,677,302
Licensee	**290,876,150**	274,152,067
Wine Boutiques	**7,159,064**	6,171,518
Duty Free	**895,558**	967,370
Diplomatic	**64,497**	45,976
N.A.T.O.	**43,987**	46,960
Total	**$985,895,681**	$942,061,193

Statement Of Sales To Licensees ($000's)

		1988			1987
Licensee	Spirits	Wine	Beer	Total	Total
Beverage Rooms	$18,851	$ 2,220	$ 95,046	**$116,117**	$112,045
Dining Lounges	46,003	22,157	62,448	**130,608**	119,540
Dining Lounges (Restricted)	223	1,271	2,493	**3,987**	4,177
Clubs	7,406	2,338	15,094	**24,838**	24,199
Canteens	702	257	2,418	**3,377**	3,854
Recreational Facilities	870	526	3,052	**4,448**	3,458
Institutions	463	414	1,698	**2,575**	2,354
Theatres	121	107	88	**316**	318
Travellers Lounges	51	18	9	**78**	55
Racetrack	5	9	452	**466**	649
Sports Stadium	0	46	1,566	**1,612**	1,236
Commercial Passenger Airplane	1,110	221	231	**1,562**	1,614
Passenger Train	–	–	17	**17**	11
Special Events	–	73	802	**875**	643
Total	$75,805	$29,657	$185,414	**$290,876**	$274,153

Comparative Statement of Sales Dollars by Product Type ($000's)

	Domestic		Import		Total		% Total Sales	
	1988	1987	**1988**	1987	**1988**	1987	**1988**	1987
Spirits								
Whisky	**$158,169**	$156,288	**$25,616**	$25,080	**$183,785**	$181,368	**18.8%**	19.4%
Brandy	**3,259**	2,870	**7,827**	7,871	**11,086**	10,741	**1.1%**	1.1%
Gin	**9,085**	9,672	**3,002**	2,625	**12,087**	12,297	**1.2%**	1.3%
Liqueurs	**18,520**	18,828	**32,753**	31,940	**51,273**	50,768	**5.2%**	5.4%
Rum	**63,894**	59,495	**4,210**	3,684	**68,104**	63,179	**7.0%**	6.8%
Vodka	**71,867**	65,833	**5,011**	4,881	**76,878**	70,714	**7.9%**	7.6%
Tequila	**254**	–	**4,102**	3,445	**4,356**	3,445	**0.4%**	0.4%
Others*	**2,020**	1,902	**976**	748	**2,996**	2,650	**0.3%**	0.3%
Total Spirits	**327,068**	314,888	**83,497**	80,274	**410,565**	395,162	**41.9%**	42.3%

*Alcohol, Bitters, Cocktails, Miscellaneous

Wines								
Appetizer	**89**	124	**1,428**	1,497	**1,517**	1,621	**0.2%**	0.2%
Dessert	**4,835**	3,893	**2,569**	2,567	**7,404**	6,460	**0.8%**	0.7%
Table	**29,276**	30,348	**59,209**	59,622	**88,485**	89,970	**9.0%**	9.6%
Sparkling	**5,894**	6,033	**4,481**	4,121	**10,375**	10,154	**1.1%**	1.1%
Champagne	**1,196**	1,354	**2,986**	3,035	**4,182**	4,389	**0.4%**	0.5%
Bubbling	**105**	121	**1,491**	1,779	**1,596**	1,900	**0.2%**	0.2%
Cider/coolers	**18,837**	18,075	**1,242**	–	**20,079**	18,075	**2.1%**	1.9%
Total Wines	**60,232**	59,948	**73,406**	72,621	**133,638**	132,569	**13.7%**	14.2%
Beers								
Standard	**359,041**	344,302	**33,582**	30,416	**392,623**	374,718	**40.1%**	40.1%
Light	–	–	**83**	78	**83**	78	**0.0%**	0.0%
Low Malt	–	–	**3**	8	**3**	8	**0.0%**	0.0%
Draught	**41,023**	32,299	**931**	–	**41,954**	32,299	**4.3%**	3.5%
Total Beers	**400,064**	376,601	**34,599**	30,502	**434,663**	407,103	**44.4%**	43.5%
Total Sales	**$787,364**	$751,437	**$191,502**	$183,397	**$978,866**	$934,834	**100.0%**	100.0%

These totals do not include special orders, returns, stock shortages, duty free sales, and are net of deposits (excluding domestic beer).

Comparative Statement of Sales Volume by Product Type

in hectolitres

	Domestic		Import		Total		% Total Sales	
	1988	1987	**1988**	1987	**1988**	1987	**1988**	1987
Spirits								
Whisky	**75,823**	80,973	**10,654**	11,057	**86,477**	92,030	**4.1%**	4.3%
Brandy	**1,759**	1,638	**3,037**	3,137	**4,796**	4,775	**0.2%**	0.2%
Gin	**4,471**	5,136	**1,360**	1,229	**5,831**	6,365	**0.3%**	0.3%
Liqueurs	**9,337**	10,313	**12,504**	12,714	**21,841**	23,027	**1.0%**	1.1%
Rum	**30,947**	31,066	**1,910**	1,726	**32,857**	32,792	**1.5%**	1.5%
Vodka	**36,406**	36,430	**2,576**	2,731	**38,982**	39,161	**1.8%**	1.8%
Tequila	**130**	–	**1,958**	1,697	**2,088**	1,697	**0.1%**	0.1%
Others*	**1,064**	1,075	**507**	332	**1,571**	1,407	**0.1%**	0.1%
Total Spirits	**159,937**	166,631	**34,506**	34,623	**194,443**	201,254	**9.1%**	9.4%
Wines								
Appetizer	**123**	185	**1,411**	1,498	**1,534**	1,683	**0.1%**	0.1%
Dessert	**6,285**	5,915	**1,974**	2,074	**8,259**	7,989	**0.4%**	0.4%
Table	**56,086**	62,254	**76,170**	77,225	**132,256**	139,479	**6.2%**	6.5%
Sparkling	**10,450**	11,299	**4,027**	3,891	**14,477**	15,190	**0.7%**	0.7%
Champagne	**1,155**	1,496	**1,192**	1,194	**2,347**	2,690	**0.1%**	0.1%
Bubbling	**179**	220	**2,066**	2,591	**2,245**	2,811	**0.1%**	0.1%
Cider & Coolers	**45,424**	46,022	**3,479**	–	**48,903**	46,022	**2.3%**	2.2%
Total Wines	**119,702**	127,391	**90,319**	88,473	**210,021**	215,864	**9.8%**	10.1%
Beers								
Standard	**1,312,869**	1,350,142	**150,463**	146,393	**1,463,332**	1,496,535	**68.5%**	70.0%
Light	–	–	**281**	269	**281**	269	**0.0%**	0.0%
Low Malt	–	–	**12**	32	**12**	32	**0.0%**	0.0%
Draught	**262,940**	223,926	**3,715**	–	**266,655**	223,926	**12.5%**	10.5%
Total Beers	**1,575,809**	1,574,068	**154,471**	146,694	**1,730,280**	1,720,762	**81.1%**	80.5%
Total Sales	**1,855,448**	1,868,090	**279,296**	269,790	**2,134,744**	2,137,880	**100.0%**	100.0%

*Alcohol, Bitters, Cocktails, Miscellaneous

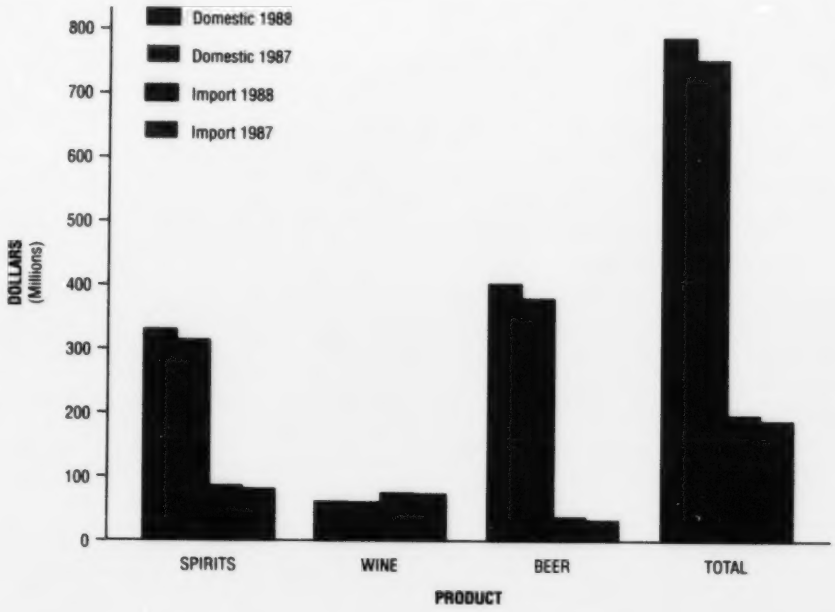
Sales volumes do not include special orders, returns, stock shortages, and duty free sales.
21.997 Gallons = 1 Hectolitre

Statement of Special Order Sales by Product Type ($000's)

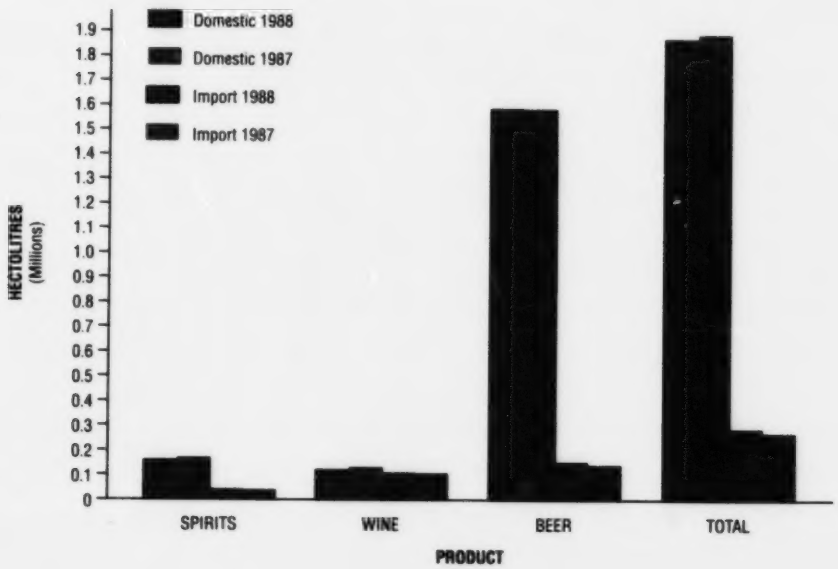
	Domestic		Import		Total		% Total Sales	
	1988	1987	**1988**	1987	**1988**	1987	**1988**	1987
Spirits								
Whisky	**$214**	$5	**$69**	$58	**$283**	$63	**4.1%**	0.9%
Brandy	**2**	2	**84**	28	**86**	30	**1.3%**	0.4%
Gin	**1**	3	**29**	7	**30**	10	**0.4%**	0.1%
Liqueurs	**334**	79	**130**	46	**464**	125	**6.7%**	1.8%
Rum	**11**	47	**2**	6	**13**	53	**0.2%**	0.7%
Vodka	**78**	–	**1**	1	**79**	1	**1.1%**	0.0%
Tequila	–	–	–	–	–	–	**0.0%**	0.0%
Others*	**38**	150	**127**	189	**165**	339	**2.4%**	4.7%
Total Spirits	**678**	286	**442**	335	**1,120**	621	**16.3%**	8.7%
Wines								
Appetizer	**2**	–	**1**	–	**3**	–	**0.0%**	0.0%
Dessert	**4**	4	**111**	193	**115**	197	**1.7%**	2.8%
Table	**167**	120	**4,660**	4,647	**4,827**	4,767	**70.2%**	66.8%
Sparkling	**15**	19	**186**	140	**201**	159	**2.9%**	2.2%
Champagne	–	–	–	–	–	–	**0.0%**	0.0%
Bubbling	–	–	–	–	–	–	**0.0%**	0.0%
Cider & Coolers	–	–	–	–	–	–	**0.0%**	0.0%
Total Wines	**188**	143	**4,958**	4,980	**5,146**	5,123	**74.8%**	71.8%
Beers								
Standard	**17**	41	**594**	1,354	**611**	1,395	**8.9%**	19.5%
Light	–	–	–	–	–	–	**0.0%**	0.0%
Low Malt	–	–	–	–	–	–	**0.0%**	0.0%
Draught	–	–	–	–	–	–	**0.0%**	0.0%
Total Beers	**17**	41	**594**	1,354	**611**	1,395	**8.9%**	19.5%
Total Special Orders	**$883**	$470	**$5,994**	$6,669	**$6,877**	$7,139	**100.0%**	100.0%

*Alcohol, Bitters, Cocktails, Miscellaneous

Comparative Sales Dollars



Comparative Sales Volumes



Schedule of Sales by Stores for the year ended January 3, 1989

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1988**	Total Sales 1987
Acme	$ 182,461	$ 26,397	$ 10,037	$ 93,061	**$ 311,956**	$ 302,070
Airdrie	1,565,760	360,586	222,593	876,521	**3,025,460**	2,805,112
Alix	352,894	32,718	18,858	151,092	**555,562**	534,875
Andrew	256,955	27,155	5,367	92,196	**381,673**	358,708
Athabasca	1,464,175	250,452	68,427	744,099	**2,527,153**	2,434,787
Banff	3,327,743	2,233,570	401,546	1,651,943	**7,614,802**	7,601,272
Barrhead	1,683,285	305,014	146,273	724,181	**2,858,753**	2,802,509
Bashaw	411,133	47,953	53,364	151,946	**664,396**	634,762
Bassano	427,953	56,123	47,758	172,525	**704,359**	738,182
Beaumont	826,450	237,013	89,116	525,320	**1,677,899**	1,486,833
Beaverlodge	480,950	85,378	10,838	288,696	**865,862**	841,989
Beiseker	279,598	36,353	23,766	149,052	**488,769**	479,030
Bentley	283,466	42,615	24,791	137,566	**488,438**	442,586
Big Valley	79,899	6,713	7,627	35,882	**130,121**	140,158
Blairmore	988,445	176,891	64,147	508,825	**1,738,308**	1,741,724
Bonnyville	2,135,704	365,257	71,467	1,285,146	**3,857,574**	3,476,716
Bow Island	414,616	55,312	57,259	167,235	**694,422**	713,808
Bowden	212,131	34,788	24,900	118,690	**390,509**	358,021
Boyle	614,163	81,957	26,662	317,745	**1,040,527**	960,785
Breton	292,269	40,987	13,509	165,676	**512,441**	529,839
Brooks	2,562,997	498,013	386,703	1,149,339	**4,597,052**	4,351,473
Bruderheim	233,204	33,340	18,021	129,063	**413,628**	399,125
Calgary						
Altadore	2,055,409	882,632	253,899	1,511,104	**4,703,044**	4,301,484
Braeside	4,344,454	1,862,604	437,509	2,427,930	**9,072,497**	7,475,913
Brentwood	5,719,841	2,855,407	537,945	3,367,121	**12,480,314**	12,190,217
Central	1,631,079	819,811	147,963	879,386	**3,478,239**	3,303,521
Centre Street North	5,684,614	1,994,781	639,032	4,389,366	**12,707,793**	12,083,253
Chinook (closed 12/87)	–	–	–	–	–	2,889,862
Deer Run	2,210,516	1,045,144	265,808	1,387,409	**4,908,877**	4,493,075
Fisher Park	2,572,105	813,256	274,069	1,421,056	**5,080,486**	2,617,333
Forest Lawn	4,519,017	951,536	348,503	3,157,060	**8,976,116**	8,103,676
Hunterhorn	5,403,424	1,887,941	611,579	3,815,729	**11,718,673**	10,931,879
Inglewood	1,501,797	385,392	142,035	909,973	**2,939,197**	2,655,664
Len Werry	1,780,096	597,534	86,733	575,519	**3,039,882**	2,745,544
Macleod Trail (closed 12/88)	337,343	97,023	36,737	196,427	**667,530**	13,020,628
Market Mall	2,906,168	1,835,287	242,004	1,501,711	**6,485,170**	6,011,763
Midnapore	1,776,693	842,374	247,741	1,161,837	**4,028,645**	3,329,653

Schedule of Sales by Stores for the year ended January 3, 1989

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1988**	Total Sales 1987
Mission Bridge	1,596,903	806,466	157,101	957,426	**3,517,896**	3,210,199
Montgomery	2,321,676	729,890	268,138	1,960,112	**5,279,816**	4,834,443
Mount Royal	2,958,603	1,767,389	349,987	2,288,524	**7,364,503**	6,382,907
North Hill	2,856,891	1,345,517	308,429	1,798,947	**6,309,784**	5,954,767
Ogden	2,039,759	474,203	290,361	1,663,760	**4,468,083**	3,849,197
Palliser	4,351,625	1,723,469	432,764	3,083,657	**9,591,515**	9,424,675
Sarcee	2,467,515	1,000,018	259,238	1,639,484	**5,366,255**	5,094,979
Silver Springs	1,537,503	832,562	168,915	915,741	**3,454,721**	3,178,313
So Centre (closed 12/87)	–	–	–	–	–	8,257,258
Sunridge	6,483,306	2,880,866	665,306	3,992,513	**14,021,991**	12,695,269
Trans Canada Mall	6,400,739	1,533,654	602,565	4,783,039	**13,319,997**	12,555,022
West	533,049	246,214	45,026	237,322	**1,061,611**	971,810
Westbrook	6,337,858	2,773,227	700,365	4,516,500	**14,327,950**	13,916,663
Willow Park	9,376,105	4,037,041	894,126	5,479,627	**19,786,899**	1,462,237
Warehouse Retail	26,873,328	13,600,431	1,390,465	–	**41,864,224**	41,175,035
Retail Beer	–	–	–	68,314,160	**68,314,160**	63,163,559
Calmar	514,914	78,355	43,140	241,152	**877,561**	810,950
Camrose	3,232,369	583,990	262,227	1,484,844	**5,563,430**	5,410,397
Canmore	1,301,408	591,157	107,779	890,881	**2,891,225**	2,527,185
Carbon	87,308	9,945	18,040	51,145	**166,438**	157,109
Caroline	336,874	33,473	27,503	204,869	**602,719**	471,467
Carstairs	403,959	54,941	29,809	216,223	**704,932**	772,100
Castor	424,613	53,063	20,584	210,643	**708,903**	675,023
Claresholm	927,689	130,663	120,034	320,190	**1,498,576**	1,485,656
Coaldale	594,503	131,430	120,142	323,099	**1,169,174**	1,085,181
Cochrane	1,223,013	413,737	121,293	772,464	**2,530,507**	2,235,360
Cold Lake	405,250	113,642	20,804	271,995	**811,691**	761,051
Coleman	277,723	39,636	8,912	152,776	**479,047**	445,299
Consort	514,906	47,585	44,351	202,330	**809,172**	761,457
Coronation	523,868	56,051	23,750	226,618	**830,287**	763,966
Crossfield	314,256	49,608	33,166	141,136	**538,166**	501,829
Daysland	390,946	40,367	20,165	179,837	**631,315**	602,463
Delburne	243,131	25,522	33,582	107,496	**409,731**	398,151
Derwent	113,263	8,271	2,860	50,893	**175,287**	167,261
Devon	834,509	215,154	87,655	440,974	**1,578,292**	1,467,969
Didsbury	574,506	101,328	67,257	319,776	**1,062,867**	1,044,592
Drayton Valley	2,445,519	387,348	132,403	1,241,943	**4,207,213**	4,010,869
Drumheller	2,195,007	383,905	323,211	1,018,508	**3,920,631**	3,805,609
Eckville	524,603	64,963	46,396	242,104	**878,066**	846,723

Schedule of Sales by Stores (continued)

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1988**	Total Sales 1987
Edgerton	196,155	22,589	29,940	139,956	**388,640**	365,925
Edmonton						
Athlone	2,320,237	483,720	218,352	1,576,198	**4,598,507**	4,407,826
Beaver House	712,473	311,483	41,550	259,717	**1,325,223**	1,942,485
Beverly	4,655,234	1,007,449	342,798	3,170,214	**9,175,695**	8,949,891
Bonnie Doon	2,356,775	717,683	191,124	1,392,024	**4,657,606**	4,438,734
Callingwood	2,276,886	1,191,470	229,447	1,341,349	**5,039,152**	4,585,702
Capilano	7,385,790	2,139,375	516,127	3,315,424	**13,356,716**	13,022,296
Castle Downs	2,067,583	701,388	198,539	1,370,930	**4,338,440**	3,974,888
Centennial	2,002,816	462,391	191,730	1,154,512	**3,811,449**	3,688,658
Clareview	1,654,826	473,158	166,883	1,280,457	**3,575,324**	3,335,545
East	2,480,453	632,777	184,965	2,091,430	**5,389,625**	5,274,313
Edmonton Centre (opened 08/88)	908,108	355,160	26,975	117,191	**1,407,434**	–
Jasper Place	2,653,664	868,363	195,383	1,554,015	**5,271,425**	5,141,449
Londonderry	4,589,805	1,166,927	374,406	3,031,506	**9,162,644**	8,821,402
McCauley Plaza (closed 08/88)	549,183	181,023	20,112	158,331	**908,649**	1,654,099
Meadowlark	2,620,872	912,955	215,093	1,312,670	**5,061,590**	4,886,381
Millbourne	3,901,542	1,237,895	358,867	2,289,751	**7,788,055**	7,046,872
96 Street	1,890,124	588,374	76,945	1,327,386	**3,882,829**	4,052,834
Northgate	7,351,436	2,000,991	554,448	4,502,706	**14,409,581**	14,207,067
106 Street	4,854,995	2,833,963	331,642	2,498,783	**10,519,383**	10,087,010
123 Street	2,142,135	842,040	158,917	882,808	**4,025,900**	3,925,257
Southgate	8,404,839	3,892,190	583,521	4,173,116	**17,053,666**	16,491,590
Southpark	2,808,049	1,067,489	219,048	1,337,310	**5,431,896**	5,211,023
Strathcona	3,946,776	1,806,848	391,838	2,548,994	**8,694,456**	8,247,635
Summerlea	5,128,349	1,914,763	483,333	3,070,302	**10,596,747**	10,153,882
West Edmonton Mall (opened 12/88)	60,218	29,331	–	5,852	**95,401**	–
Westmount	6,005,519	2,070,267	425,074	3,300,266	**11,801,126**	11,898,986
Warehouse Retail	21,393,463	11,059,974	2,345,474	698	**34,799,609**	34,873,393
Retail Beer	–	–	–	98,216,069	**98,216,069**	93,716,026
Edson	2,318,481	438,402	135,314	1,230,605	**4,122,802**	3,877,055
Elk Point	614,818	81,368	20,093	308,202	**1,024,481**	969,399
Empress	152,796	12,283	9,188	71,261	**245,528**	250,345
Evansburg	556,957	84,243	56,717	257,934	**955,851**	922,175
Fairview	967,890	154,671	28,475	442,674	**1,593,710**	1,539,620
Falher	585,441	94,552	78,439	426,841	**1,185,273**	1,145,179
Foremost	224,845	34,734	37,126	98,511	**395,216**	402,533
Forestburg	377,220	40,996	41,548	141,830	**601,594**	595,505

Schedule of Sales by Stores for the year ended January 3, 1989

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1988**	Total Sales 1987
Fort Macleod	891,382	391,115	215,777	519,654	**2,017,928**	1,946,473
Fort McMurray						
Main	5,116,157	1,223,284	228,990	3,714,087	**10,282,518**	9,863,505
Thickwood	1,329,404	503,283	78,887	1,224,362	**3,135,936**	2,868,511
Fort Saskatchewan	2,134,488	525,016	174,822	1,062,904	**3,897,230**	3,692,631
Fort Vermilion	569,639	41,601	5,192	255,981	**872,413**	814,343
Fox Creek	552,839	75,262	72,301	278,131	**978,533**	840,641
Gibbons	640,867	125,337	86,214	359,159	**1,211,577**	1,167,158
Glendon	327,379	32,310	9,817	194,700	**564,206**	529,478
Grand Centre	1,922,539	711,091	186,436	1,271,083	**4,091,149**	3,824,618
Grande Cache	578,286	146,539	33,572	416,877	**1,175,274**	1,110,430
Grande Prairie	6,463,624	1,425,030	325,380	3,514,334	**11,728,368**	11,069,696
Grimshaw	841,138	98,338	24,324	367,086	**1,330,886**	1,239,098
Hanna	1,087,846	122,471	66,109	481,243	**1,757,669**	1,716,371
Hardisty	384,671	41,579	37,714	185,962	**649,926**	627,043
High Level	1,521,603	193,205	52,649	628,572	**2,396,029**	2,424,944
High Prairie	1,361,080	259,790	53,619	893,934	**2,568,423**	2,521,907
High River	1,228,837	256,223	156,882	528,185	**2,170,127**	2,035,110
Hines Creek	333,808	35,729	833	149,839	**520,209**	487,304
Hinton	1,886,050	489,211	92,912	1,232,124	**3,700,297**	3,201,242
Holden	276,527	28,281	7,550	127,984	**440,342**	440,394
Hythe	250,111	36,056	4,537	151,333	**442,037**	403,298
Innisfail	1,478,120	251,531	196,948	629,761	**2,556,360**	2,526,336
Jasper	1,728,000	968,887	123,765	1,016,986	**3,837,638**	3,767,556
Killam	597,995	68,569	49,798	224,642	**941,004**	879,025
Lac La Biche	1,277,388	254,220	34,014	747,501	**2,313,123**	2,202,675
Lacombe	1,339,927	261,715	129,038	596,509	**2,327,189**	2,243,584
Lake Louise	613,595	478,097	94,293	392,510	**1,578,495**	1,286,983
Lamont	522,668	64,459	24,570	230,886	**842,583**	817,646
Leduc	3,805,896	770,251	183,051	1,423,278	**6,182,476**	5,916,956
Legal	252,830	36,565	31,226	168,478	**489,099**	462,655
Lethbridge						
Magrath	1,916,456	479,560	190,841	843,914	**3,430,771**	3,304,050
North	4,090,164	983,793	335,134	734,041	**6,143,132**	5,936,795
South	4,675,749	1,467,379	468,634	2,313,429	**8,925,191**	8,951,341
Retail Beer	–	–	–	11,699,212	**11,699,212**	11,232,413
Lloydminster	4,095,566	706,360	293,544	2,139,275	**7,234,745**	7,340,218
Manning	589,906	59,174	30,653	273,851	**953,584**	898,133
Mannville	383,443	35,307	16,354	190,343	**625,447**	547,966
Marwayne	319,435	46,198	39,895	164,670	**570,198**	563,600

Schedule of Sales by Stores (continued)

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1988**	Total Sales 1987
Mayerthorpe	795,006	106,871	60,182	344,790	**1,306,849**	1,232,472
McLennan	191,159	36,745	9,896	172,157	**409,957**	425,477
Medicine Hat						
Main	6,417,781	1,130,603	479,463	2,181,999	**10,209,846**	9,965,192
Southview	2,744,039	406,665	268,310	1,079,787	**4,498,801**	4,255,890
Retail Beer	–	–	–	5,849,741	**5,849,741**	5,401,534
Milk River	316,912	49,893	124,402	109,519	**600,726**	566,762
Millet	313,767	55,606	21,233	184,957	**575,563**	545,637
Morinville	813,012	158,125	84,369	475,673	**1,531,179**	1,489,773
Mundare	361,397	27,675	11,066	117,616	**517,754**	509,599
Myrnam	194,483	13,435	11,549	65,132	**284,599**	286,917
Nanton	558,582	63,823	115,919	189,310	**927,634**	854,851
Okotoks	1,225,551	351,225	161,375	668,656	**2,406,807**	2,199,937
Olds	1,624,983	309,116	127,369	688,764	**2,750,232**	2,653,450
Onoway	678,789	135,004	50,175	431,466	**1,295,434**	1,256,745
Oyen	619,858	69,215	35,626	279,923	**1,004,622**	1,010,020
Peace River	2,083,838	407,829	142,498	938,429	**3,572,594**	3,204,288
Picture Butte	455,120	88,161	43,555	241,435	**828,271**	807,362
Pincher Creek	1,286,854	342,372	121,651	708,228	**2,459,105**	2,334,847
Ponoka	1,677,304	372,949	138,836	731,393	**2,920,482**	2,732,178
Provost	1,076,342	110,661	98,506	425,562	**1,711,071**	1,723,389
Rainbow Lake	442,684	36,681	15,328	126,146	**620,839**	529,704
Red Deer						
Centre	2,032,792	504,557	180,356	948,303	**3,666,008**	3,257,492
North	2,643,762	608,116	311,639	1,303,237	**4,866,754**	4,326,539
South	8,006,027	1,981,875	565,938	2,302,334	**12,856,174**	12,800,248
Retail Beer	–	–	–	13,538,851	**13,538,851**	13,092,915
Redcliff	544,456	84,354	58,044	330,242	**1,017,096**	1,001,469
Redwater	599,361	85,426	67,794	251,256	**1,003,837**	980,114
Rimbey	828,507	122,924	90,933	429,504	**1,471,868**	1,399,294
Rocky Mountain House	2,405,876	414,773	181,881	1,134,492	**4,137,022**	3,807,541
Sexsmith	357,896	42,012	15,980	167,224	**583,112**	544,904
Sherwood Park	6,240,003	1,730,097	523,869	3,130,042	**11,624,011**	11,151,772
Slave Lake	2,087,910	321,045	73,469	1,194,594	**3,677,018**	3,412,643
Smoky Lake	728,203	69,485	24,269	288,642	**1,110,599**	1,087,473
Spirit River	809,932	111,264	37,182	360,694	**1,319,072**	1,252,464
Spruce Grove	3,066,152	795,979	300,882	1,606,531	**5,769,544**	5,327,642
St. Albert						
Grandin	1,898,881	658,587	142,063	984,097	**3,683,628**	3,354,278
North	4,210,583	1,523,981	401,472	2,308,876	**8,444,912**	7,938,007

Schedule of Sales by Stores

for the year ended January 3, 1989

	Spirits	Wine	Imported Beer	Domestic Beer	**Total Sales 1988**	Total Sales 1987
St. Paul	1,934,690	335,933	63,682	889,156	**3,223,461**	3,003,986
Standard	112,575	16,564	8,540	88,821	**226,500**	234,663
Stettler	1,980,816	251,506	147,834	628,125	**3,008,281**	2,870,806
Stony Plain	1,714,665	348,582	130,933	852,870	**3,047,050**	2,794,730
Strathmore	1,171,489	214,295	150,788	636,525	**2,173,097**	2,129,914
Suffield	40,743	17,835	3,547	91,402	**153,527**	147,702
Sundre	923,233	133,897	71,182	456,079	**1,584,391**	1,476,415
Swan Hills	525,722	67,145	48,238	258,208	**899,313**	863,775
Sylvan Lake	1,115,864	228,684	155,735	651,853	**2,152,136**	1,960,690
Taber	1,322,076	211,268	188,367	636,247	**2,357,958**	2,305,685
Thorhild	467,911	48,597	24,365	199,621	**740,494**	699,955
Thorsby	538,727	64,968	23,233	220,649	**847,577**	807,689
Three Hills	328,559	50,975	27,746	138,575	**545,855**	506,107
Tofield	489,485	84,359	59,432	264,802	**898,078**	834,587
Trochu	458,749	53,371	52,568	260,336	**825,024**	719,820
Turner Valley	811,095	138,391	49,859	394,319	**1,393,664**	1,320,681
Two Hills	580,472	55,334	12,779	204,813	**853,398**	849,325
Valleyview	923,498	245,282	31,970	538,249	**1,738,999**	1,625,036
Vauxhall	379,906	36,998	88,241	177,337	**682,482**	668,728
Vegreville	1,865,534	237,153	46,260	705,409	**2,854,356**	2,848,076
Vermilion	1,379,895	202,191	63,202	600,383	**2,245,671**	2,140,039
Viking	424,177	49,655	9,912	211,900	**695,644**	664,750
Vilna	395,742	65,965	13,947	183,817	**659,471**	664,220
Vulcan	725,062	90,227	72,360	275,721	**1,163,370**	1,113,970
Wabamun	315,679	93,058	31,077	277,484	**717,298**	682,296
Wainwright	1,527,204	263,308	72,420	863,802	**2,726,734**	2,717,793
Warburg	213,534	22,981	9,033	98,071	**343,619**	316,605
Waterton Park	141,557	78,343	22,846	106,233	**348,979**	326,053
Wembley	178,910	29,634	10,031	119,146	**337,721**	320,144
Westlock	1,851,270	314,040	85,928	851,886	**3,103,124**	3,051,819
Wetaskiwin	2,991,806	805,543	194,338	1,681,473	**5,673,160**	5,548,215
Whitecourt	1,943,053	360,399	158,623	988,448	**3,450,523**	2,945,846
Wildwood	248,202	31,897	13,397	128,307	**421,803**	395,405
Willingdon	229,420	21,305	7,210	83,998	**341,933**	357,913
Totals	$ 417,149,092	$ 133,473,301	$ 35,192,440	$ 400,080,848	**$ 985,895,681**	$ 942,061,193

Schedule of Payments to Governments

for the year ended January 3, 1989

	Fiscal 1988	Fiscal 1987
Federal Government		
Receiver General		
Excise, Duty And Federal Sales Tax	**$129,850,920**	$127,745,251
Provincial Government		
Provincial Treasurer		
Remittances	**365,000,000**	366,500,000
Municipal Governments		
Property Taxes (grants In-lieu-of)	**2,601,218**	2,421,426
Business Taxes	**1,149,761**	672,682
	3,750,979	3,094,108
Payments to Governments by ALCB	**498,601,899**	497,339,359
Alberta Brewers		
Sales & Excise taxes paid directly to the federal government (excluding wineries and distillers)	**61,548,329**	58,080,058
Total Payments To Governments	**$560,150,228**	$555,419,417

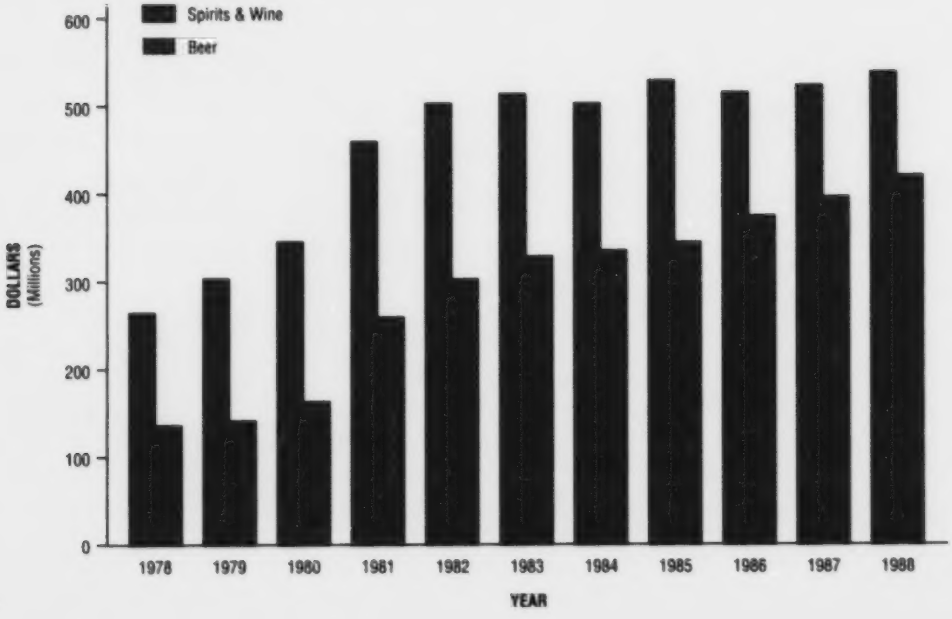
Historical Financial Results – 1978 to 1988

Dollars in millions; Volume in thousands of hectolitres

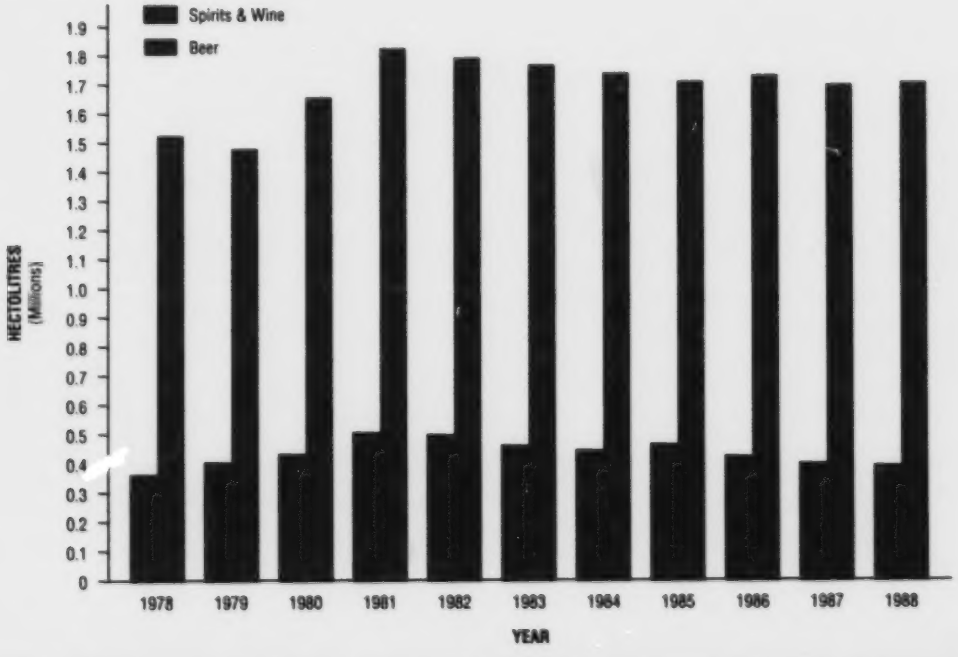
Year	Sales Spirits & Wine	Sales Beer	Remit To Treasury	Net Income	Sales To Licensees	Volume Spirits & Wine	Volume Beer	Number Of Stores	Number Of Employees
1988	**$ 550.6**	**$ 435.3**	**$ 365.0**	**$ 387.2**	**$ 290.9**	**405.5**	**1730.2**	**226**	**1,257**
1987	533.6	408.5	366.5	359.8	274.2	417.1	1720.8	228	1,225
1986	526.4	382.5	312.0	321.4	228.3	438.7	1750.2	230	1,299
1985	540.9	353.0	323.0	320.7	251.2	478.1	1735.1	225	1,325
1984	513.7	343.4	299.5	302.4	234.2	452.0	1762.8	219	1,377
1983	524.7	337.2	289.0	296.2	227.3	471.6	1789.2	215	1,462
1982	512.2	308.7	233.1	279.5	210.3	508.8	1812.9	206	1,452
1981	468.4	263.9	183.1	236.9	191.8	510.8	1839.5	201	1,430
1980*	350.2	167.5	170.5	174.1	142.2	437.8	1672.4	194	1,337
1979	308.5	145.8	151.6	158.8	124.6	407.6	1488.3	192	1,324
1978	267.4	138.4	125.8	137.4	114.8	363.7	1530.5	191	1,312

* The nine month period April 1, 1980 to December 31, 1980 is not included due to a change in the fiscal year end.

Historical Sales Dollars – 1978 to 1988



Historical Sales Volumes – 1978 to 1988



Financial Statements

Auditor's Report

To the Members of the
Alberta Liquor Control Board

I have examined the balance sheet of the Alberta Liquor Control Board as at January 3, 1989 and the statements of income, income remitted to the Provincial Treasurer and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at January 3, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Donald D. Salmon, C.A.
Auditor General

Edmonton, Alberta
April 6, 1989

Balance Sheet

As at January 3, 1989

	January 3, 1989	January 5, 1988
	($000's)	($000's)
Assets		
Current assets:		
Cash	**$ 34,200**	$ 6,094
Accounts receivable	**1,785**	1,761
Inventories (Note 3)	**56,027**	54,193
Prepaid expenses	**2,439**	2,354
	94,451	64,402
Fixed assets (Note 4):	**120,981**	120,120
	$215,432	$184,522
Liabilities and Appropriation		
Current liabilities:		
Accounts payable	**$ 40,605**	$ 31,921
Unremitted income payable to Provincial Treasurer	**36,827**	14,601
	77,432	46,522
Appropriation for capital (Note 5):	**138,000**	138,000
	$215,432	$184,522

The accompanying notes are part of these financial statements.

J.T. Strain
Chairman and Chief Executive Officer

D. M. Dart, C.A.
Director, Finance

Statement of Income

For the year ended January 3, 1989

	Fiscal 1988	Fiscal 1987
	($000's)	($000's)
Sales		
Spirits and wine	**$550,622**	$533,563
Beer	**435,273**	408,498
	985,895	942,061
Cost of Goods Sold		
Spirits and wine	**249,117**	245,915
Beer	**278,553**	267,852
	527,670	513,767
Gross Profit on Sales	**458,225**	428,294
Operating expenses (Note 6)	**77,586**	73,509
Net Profit on Sales	**380,639**	354,785
Other income, net (Note 7)	**7,949**	7,133
Environmental expenses, net (Note 8)	**(1,362)**	(2,153)
Net Income for the Year	**$387,226**	$359,765

Statement of Income Remitted to Provincial Treasurer

For the year ended January 3, 1989

	Fiscal 1988	Fiscal 1987
	($000's)	($000's)
Unremitted Income at beginning of year	**$ 14,601**	$ 21,336
Add: Net income for the year	**387,226**	359,765
	401,827	381,101
Deduct: Remittances to Provincial Treasurer	**365,000**	366,500
Unremitted Income at end of year	**$ 36,827**	$ 14,601

Statement of Changes in Financial Position

For the year ended January 3, 1989

	Fiscal 1988	Fiscal 1987
	($000's)	($000's)
Cash Provided from Operations		
Net income for the year	$387,226	$359,765
Depreciation and amortization	6,290	5,759
Write-off of fixed assets	12	–
Gain on disposal of fixed assets, net	(128)	(164)
Net change in non-cash working capital balances	6,741	5,412
Cash from operations	400,141	370,772
Remittances to Provincial Treasurer	(365,000)	(366,500)
	35,141	4,272
Cash Used for Investment		
Purchase of fixed assets	(7,432)	(3,615)
Proceeds from disposal of fixed assets	397	207
	(7,035)	(3,408)
Increase in Cash During the Year	28,106	864
Cash at Beginning of Year	6,094	5,230
Cash at End of Year	$ 34,200	$ 6,094

Notes to the Financial Statements

Note 1 Authority

The Alberta Liquor Control Board operates under the authority of the Liquor Control Act, Chapter L-17, Revised Statutes of Alberta 1980, as amended.

Note 2 Significant Accounting Policies and Reporting Practices

Fiscal Year

The Liquor Control Act specifies the first Tuesday in each calendar year as the fiscal year end of the Board. Accordingly, the fiscal year 1988 comprised 52 weeks ended January 3, 1989 and fiscal year 1987 comprised 52 weeks ended January 5, 1988.

Inventories

Inventories are valued at cost which is not in excess of net realizable value. Cost is determined as follows:

Stores and warehouses – Invoiced cost, freight, and duties and taxes

In bond – Invoiced cost and freight

In transit and suppliers – Invoiced cost

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and amortization.

Depreciation and amortization are calculated on the straight-line method at annual rates which will reduce the original cost to estimated residual value over the useful life of the asset, as follows:

Buildings:	
of a Permanent nature	2.5%
of a Mobile nature	5%
Furniture and equipment:	
Cost $50,000 and greater	10% to 33.3%
Cost less than $50,000	100%
Leasehold improvements:	2.5% or remainder of lease, whichever is less
Vehicles:	
Gas	20%
Diesel	12.5%
Tractor and Trailers	12.5%

Note 3 Inventories ($000's)

Location	January 3, 1989 Spirits & Wine	Beer	**Total**	January 5, 1988 Total
Stores	$23,069	$6,300	**$29,369**	$26,138
Warehouse				
Duty Paid	4,259	26	**4,285**	3,942
In Bond	17,465	1,692	**19,157**	19,727
In Transit	2,917	16	**2,933**	4,039
Stock Futures	283	–	**283**	347
Total	$47,993	$8,034	**$56,027**	$54,193

Duties and taxes amounting to approximately $12,317,111 (January 5, 1988 - $12,643,000) will become payable when inventories held in bond are released for sale.

Note 4 Fixed Assets ($000's)

	January 3, 1989 Cost	Accumulated Depreciation and Amortization	**Net Book Value**	January 5, 1988 Net Book Value
Land	$ 22,723	$ –	**$ 22,723**	$ 21,369
Buildings	107,057	17,716	**89,341**	89,844
Furniture and equipment	28,275	24,851	**3,424**	4,520
Leasehold improvements	7,657	2,440	**5,217**	4,188
Vehicles	146	110	**36**	199
Computer Software	240	–	**240**	–
Total	$166,098	$ 45,117	**$120,981**	$120,120

Depreciation and amortization for the year amounted to $6,290,000 (January 5, 1988 - $5,759,000).

Note 5 Appropriation for Capital

The Liquor Control Act provides that the Board shall maintain a capital account to provide funds for acquiring land and buildings and maintaining the inventories and other assets necessary to the operations of the Board.

Note 6 Operating Expenses ($000's)

	Fiscal 1988	Fiscal 1987
Management salaries	$ 13,745	$ 12,950
Union and excluded salaries	18,878	19,416
Casual wages and part-time	10,884	9,324
Payroll benefits	4,946	4,949
Other benefits	170	231
Total salaries and benefits	48,623	46,870
Equipment	1,936	1,929
Depreciation and amortization	6,243	5,711
Freight	1,262	1,202
Other	5,034	3,900
Property	12,027	11,287
Stationery	1,686	1,955
Travel and training	721	533
Vehicle	54	122
Total	$ 77,586	$ 73,509

Note 7 Other Income ($000's)

	Fiscal 1988	Fiscal 1987
Licences and permits:		
Revenue	$ 8,369	$ 8,146
Expenditure	2,907	2,739
	5,462	5,407
Liquor levies and commissions	1,562	1,185
Gain on disposal of fixed assets, net	128	164
Miscellaneous	797	377
Total	$ 7,949	$ 7,133

Note 8 Environmental Expense, Net

This expense represents the net cost of administering and refunding deposits on spirits, wine and imported beer containers pursuant to the Beverage Container Act, Chapter B-4, Revised Statutes of Alberta 1980, as amended.

Note 9 Commitments

Capital

The Board has commitments in respect of land purchase agreements and uncompleted building contracts of approximately $1,865,000 (January 5, 1988 - $310,000).

Leases

A number of the Board's stores operate under lease arrangements with terms ranging from one to fifty years. The Board also leases data processing equipment with terms ranging from one to four years. The approximate aggregate rental under these arrangements is summarized as follows:

Fiscal 1989	$ 4,352,000
1990	3,435,000
1991	3,101,000
1992	2,509,000
1993	2,185,000
Balance to expiry	14,970,000
	$30,552,000

Note 10 Comparative Figures

The previous years comparative figures have been reclassified to conform with the basis of presentation adopted for current year.

Licences Issued and Suspended

Manufacturers' Licences Issued

January 1, 1988 – December 31, 1988

Licence No.	Name	Location
Distillers' Licences		
1	Alberta Distillers, Limited	Calgary
2	Palliser Distillers Ltd.	Lethbridge
3	Highwood Distillers Ltd.	High River
4	Cambridge Distillers Ltd.	Calgary
Brewers' Licences		
1	Molson Alberta Brewery Ltd.	Edmonton
2	Sicks' Lethbridge Brewery Limited	Lethbridge
3	Carling O'Keefe Breweries Western Limited	Calgary
4	Labatt Brewing Company Limited	Edmonton
5	Drummond Brewing Company Ltd.	Red Deer
	NOTE: Licence expired December 20, 1988 was not reissued as of December 31, 1988	
6	Big Rock Brewery Ltd.	Calgary
7	Strathcona Brewing Inc.	Edmonton
	NOTE: Licence issued effective April 1, 1988	
8	Nanton Interbrew Ltd.	Calgary
Wine Manufacturers' Licences		
1	Andres Wines (Alberta) Ltd.	Calgary
2	Ridout Wines Limited Chateau-Gai Wines Limited	Calgary
3	Andrew Wolf Cellars Ltd.	Stony Plain
4	Anlu Development Corporation Ltd. Lewis Brothers Winery	Grande Prairie
Sacramental Wine Permits		
1	Universal Church Supplies (1988) Ltd.	Edmonton
	NOTE: Change in name from Universal Church Supplies Ltd. effective September 1, 1988	
2	Diocese of St. Paul	St. Paul
3	Universal Church Supplies Ltd.	Calgary

Licences and Permits Issued under the Authority of the Liquor Control Act

	In Effect Dec. 31,1988	In Effect Dec. 31,1987
Beverage Room	598	594
Beer Vendor's	503	499
Dining Lounge	2,009	1,922
Dining Lounge (Restricted)	694	721
Lounge	1,051	1,006
Night Club	6	9
Club		
Annual	246	231
Seasonal	250	228
Canteen	46	47
Recreational Facility	166	160
Institution		
Post-Secondary	24	23
Residential Facility	62	51
Theatre	32	29
Traveller's Lounge	9	5
Race Track	9	10
Sports Stadium	18	17
Commercial Passenger Airplane	9	8
Passenger Train	1	1
Commercial Passenger Bus	–	–
Water Excursion Craft	1	1
Brew Pub	1	1
	5,735	5,563
Breweries	7	7
Distilleries	4	4
Wine Manufacturers	4	4
Sacramental Wine Permits	3	3
Total	5,753	5,581

	Issued 1988	Issued 1987
Special Events Licences	176	170
Permits		
Annual	216	206
Resale	19,304	21,308
Ordinary	23,615	23,439
Display	5	5
Physicians, Druggists, Dentists, etc.	49	37
Industrial	81	58
Hospital	64	55
Total	43,510	45,278

Suspension of Licence Privileges

Seventy-four Board hearings were held throughout 1988 in respect to infractions by licensees under the Liquor Control Act and Regulations or failure to comply with the required standards of operation. These hearings resulted in the suspension of 31 licences and the issuance of 43 warnings. One licence suspension was postponed pending results of court proceedings. Six licences were also suspended without a hearing, while a seventh had the authority for use of the lower ground floor portion of the lounge removed without a hearing.

In addition, 156 letters of warning were issued by the Board to licensed establishments where the infraction did not warrant a hearing.

The majority of those licensees who received licence suspensions had been previously warned in writing as to the improper operation of their premises and had failed to take corrective measures, or they were repeat offenders having a file record of previous hearings before the Board regarding similar infractions of the Act. Service of liquor during prohibited hours, overcrowding, and inadequate food service comprised the most common infractions reviewed at hearings before the Board.